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SUBJECT: THE WORK OF THE OSCE PRESENCE IN ALBANIA

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- 11. (SBU) SUMMARY: The OSCE Presence in Albania (PIA) will present its Programme Outline in Vienna on June 3, in preparation for discussions of its 2009 budget. Post supports overall USG policy to reduce expenditures of OSCE Balkan Missions in a desire to push for greater OSCE presence further east (Ref A and previous). The work performed in Albania by the PIA, however, is in keeping with U.S. regional interests, including stability in Kosovo and the region. The PIA is a force multiplier for the vital democratic reform efforts still urgently needed in the run-up to Albania's NATO and future EU memberships. Other missions bilateral or multilateral are not able to provide the same support to Albania's fledgling democratic institutions. The PIA is one of the most efficient Balkan OSCE missions, as we understand it. With the Ambassador's full endorsement, we urge Washington's careful evaluation of the contributions made by this small and efficient Presence as considerations of the PIA budget begin. END SUMMARY.
- 12. (SBU) Post was pleased to meet with one of the USG representatives on the recent OSCE Advisory Committee on Management and Finance's annual trip to Tirana to evaluate the PIA, in order to share our perspective on the Presence's work and activities here. As one of the largest embassies here, we nonetheless rely heavily on the PIA's excellent work, from reporting to program management. We work closely with them, from the Ambassador to the international and Albanian staff. The PIA was integral to improved conduct of the February 2007 local elections, to ongoing progress in the civil registry project, to democratization and civil society building projects, and even to one of the few internationally supported waste management efforts ongoing in Albania. The PIA coordinates its activities in advance with us and in many instances with a larger group of donors/bilateral missions.
- 13. (SBU) The OSCE is not a NATO member and the PIA was not part of our own efforts, or those of the Albanian Government, to garner support for Albania's April 2 NATO invitation. In the prelude to the decision to offer that invitation, however, the role of PIA as force multiplier was clear. Even with a five-officer political-economic section, we are unable to visit Albania's further regions on a regular basis or to cover the breadth of contacts needed to understand Albania's Byzantine political decision making process. We rely on the PIA to supplement our own contacts and travels. Most missions, even the relatively large European Commission, have at most one person who covers political affairs. The concise, accurate information supplied by the Presence to member states helped ensure that a more up-to-date picture of Albania's progress (and lack thereof) was shared, including by NATO Ally embassies. Post, on its own, would not have the same reach. We can only imagine the extent to which our colleagues in much smaller missions rely on OSCE staff.
- 14. (SBU) Especially under the leadership of new PIA Head Robert Bosch, the PIA "gets it" with regard to efficiency. Over the last four years, the Presence has utilized 100% of its budget to maximize project delivery. We understand this to be a demonstration of possibly exceptional efficiency among similar missions. The Presence reduced operational costs in 2008. The ratio between international and national staff is one of the lowest in the OSCE

system, based on information available to us. Reduced staffing levels over the last years brought a reduction in staff costs. Office and travel costs have been cut. We further understand that the PIA is operating with one of the lowest ratios of vehicles to professional staff in the system.

- 15. (SBU) PIA programs directly support USG goals in Albania and in the region. By helping to improve GOA efficiency and to strengthen democracy and civil society, PIA programs complement and supplement our own, which have been subject to continuing SEED cuts. In addition to funds administered from the OSCE Unified Budget, the PIA manages extra budgetary contributions from participating states and other international organizations, which trust the Presence's efficient management. (These funds are currently worth some 4.5 million Euros.) The PIA partners with other donors to stretch its own budget and get further impact for important programs. One example is EC support to the OSCE-led civil registry system modernization project. (See also Ref C.) Sometimes to the regret of the larger community, but as with our own USG assistance, some smaller programs with good objectives and results have been stopped in order to achieve greater focus and efficiency. The PIA is a key member of the Donor Technical Secretariat, which coordinates donor community responses to the Government of Albania's assistance requests to avoid duplication; the PIA chaired the group last year.
- 16. (SBU) As a result of efforts already undertaken to trim its staff and increase its efficiency, across-the-board percentage cuts to Balkan OSCE missions would hit the PIA very hard. The Presence heeded calls, in particular from the USG, to focus and improve efficiencies. It remains an integral part of the "democracy building" team in Albania and in some cases provides programs no other donor is willing or able to take on. (A small waste disposal project is especially meaningful in this regard, in light of the complete absence of interest by other donors in assisting Albania in this field and the great need the country faces. See also Ref B.)
- 17. (SBU) Albania will soon be a NATO Ally, we expect, and in the more distant future, it will probably succeed in joining the European Union. But the country's democratic development is still halting. It is not yet ready or able to graduate from international assistance, and the leadership and guidance it receives from the PIA is vital. PIA programs help Albania to continue to play the important regional stabilizing role upon which the U.S. relies. We recognize and support the need for greater efficiency, in our own programs and in OSCE missions. We ask the Department to consider, however, whether the PIA has not already met that demand. USG priorities for Albania, and likely for the western Balkans, may be achieved better with the continued level of support for the PIA than without it.